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ABSTRACT

Although extensive research has been conducted on organizational change initiatives in recent years, much of this research has tended to focus on issues of the timing of the change, types of change, and/or rationale for change. In order to better understand the systemic dynamics of change, however, efforts should be made to examine the inherent structural beliefs held regarding change. Historically, key variables in the change process have included: the expectation that those in authority act with fairness; the corresponding pressure for change increases; and the assumption that a "right" solution exists, reflecting a binary approach to reality. In organizations today, pressures for change include increasing competition, decreasing resources, increasing demands for accountability, the acceleration in technological developments, and the demands of stakeholders for higher returns on investment. As these pressures act on managers, the mental model that assumes that some individuals are right and others are wrong can lead to fractionalization of the organization and reduced effectiveness. To avoid this, the organization and its leadership need to be very clear about rationale and expectations for change; a plan to enhance the skill sets of the employees should be made visible; the organization should monitor the ongoing change process; and non-traditional management tools such as engagement, explanation, and expectation clarity should be utilized. (TGI)

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Environments for Change

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Environments for Change

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The first line of A Tale of Two Cities sums up the feelings about most organizational change efforts – "It was the best of times, it was the worst of times." In most organizations that have undertaken large-scale change initiatives, there is a vast chasm between those who support the change efforts and those who don't. This chasm can have a dramatic impact on the outcome of the change efforts. A seemingly undiscussable question that relates directly to this is, "what makes those who support organizational change efforts believe that they are right?"

There has been extensive research in recent years on change initiatives. Much of this research has focused on the issues of the timing of the change, the type of change, or the rationale for the change. I would propose, however, that these issues are relatively low-leverage areas for examination. Additionally, I would suggest that by looking at these issues, we take a myopic, non-systemic view of some of the underlying issues behind change. By looking at the issues of timing, type, or rationale for change, we are looking only at the tip of the iceberg, and if we are to better understand the dynamics of change, we need to look deeper, to the inherent structural beliefs that we hold regarding to change. These beliefs are found in the stories of our organizations, and by reflecting on these stories, we will have the ability to better understand some of the systemic dynamics of change.

In the late 18th century, this country underwent dramatic change. This change was driven by the widespread belief that our "community" was not being treated fairly by the central authority force of the community. The community was comprised of a cross-sectional group of people with many common traits. Some of these common traits included: the desire to improve the quality of life, the desire to live in peace, and the desire to control

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individual and collective destinies. These common traits brought many of these people together over the period of several hundred years, and over time, the belief that the population was not being treated fairly grew (Sarat, Kearns). In the late 1770's, the growth of this belief stimulated a response to the authority and the American Revolution ensued.

Upon examination, several macro-level key variables can be discerned from this action. They include the expectation of fairness of authority and the pressure for change (see figure 1).

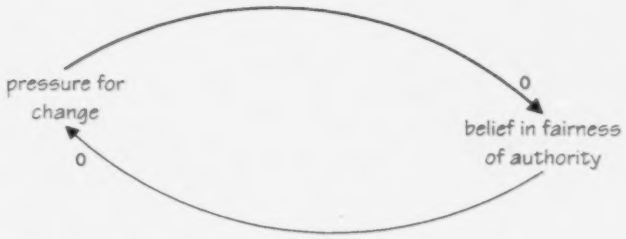

figure 1

As more and more of the population became convinced that they were being treated unfairly by the government in place (the authority), the pressure for change increased. The change in government caused the feeling of unfair treatment to mitigate, and therefore, reduced the pressure to change. The growth of collective feelings of unfair treatment was enabled by a shared set of values that included the mental model that the government in place was made up of people who were "different" than the population as a whole. Additionally, people who were not directly connected to the government, but who also did not share the feeling of unfair treatment, were also considered to be different. It is this separation of people that begins to set in motion another dynamic, the dynamic of the assumption that there is a "right" answer.

To support the assumption that there is a "right" answer requires binary thinking, and our language contributes to this type of thinking. When thinking in binary terms, we

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become trapped by our language to believe that things are either "hot" or "cold," "open" or "closed," "smart" or "dumb," "good" or "bad," "right" or "wrong," and "us" or "them." When being in a culture that supports this type of language usage, it is relatively easy to see how "we" can have the "right" answer, and therefore, "they" must surely be "bad," as "they" don't subscribe to the same set of assumptions. I would propose that it is the impact of this dynamic that resulted in the Revolutionary War, not the more visible events that we have come to say began the war.

Historically, we have seen this same dynamic at play many times. Examples of this belief abound – the many wars we have been in, labor strikes, the Communist "witch-hunts" of the 1950's, and the many efforts to implement change in organizations. In all these scenarios, the common denominator is the belief that there is a "right" thing to do. Therefore, the question might be "why is it so difficult for us to convince others that we are right?"

In organizations today, there is a move to change due to one or more pressures: the increase in competition, the decrease in available resources, the increase in demands for accountability, the acceleration in the development of technology, and the demands of stakeholders for higher returns on investment (Rieley). The greater the pressure for change, the greater the inability to cope with change (see figure 2).

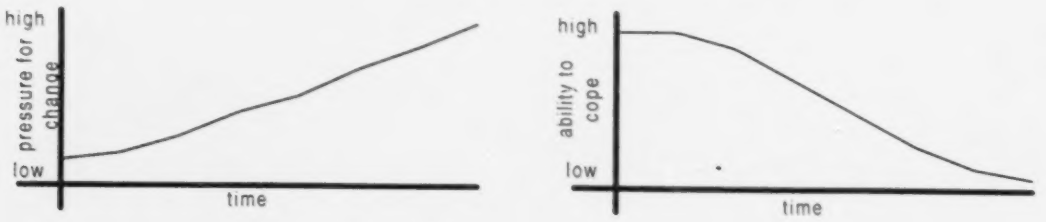

figure 2

All of these pressures can lead to the assumption that there could be a better way to manage an organization, to deal with the ability to cope with the pressures. The difficulty lies in several places. Some managers deal with the pressures by believing that the previously stated pressures should not affect their ability to manage; some managers believe that the pressures will subside; some managers believe that the pressures are not real. In all of these cases, these managers risk becoming at odds with the move to change. This begins to set up the fractionalizing belief that some managers are "right" and some are "wrong." This fractionalization of an organization, no matter how severe, will begin to reduce the organizational potential to be effective over time. The reduction in organizational potential to be effective over time will, in itself, put increasing pressure on the organization for change (see figure 3).

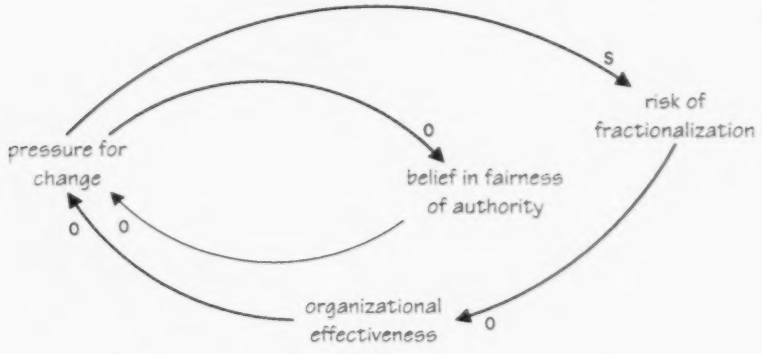

figure 3

As figure 3 shows, the inside loop shows a reinforcing behavior – as the pressure to change increases, the belief in fairness of authority decreases, and as the belief in fairness of authority decreases, the pressure to change increases. This dynamic is largely due to the fact that change is seen as a mandate, not a choice. In the outside loop, as the pressure to change increases, the risk of fractionalization increases, this in turn reduces organizational effectiveness, which in turn increases the pressure for change. This set of dynamics is also reinforcing behaviors and will cause additional risk of fractionalization, reduction of effectiveness, and increased pressure for change.

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As we have learned from history, there is more effort expended into establishing the "rightness" of change initiatives than there is in building alignment for dealing with change. It is this belief in the rightness of actions to deal with change that causes much of the chaos in organizations today, leading to reduced potential for effectiveness over time.

By forcing the issue of "we are right," we, by default, are stating that those who disagree with the methods to deal with change are wrong and, therefore, of less value to the organization. By establishing the mental model of some people being of less value, we create more fractionalization and, again, less potential for effectiveness over time (see figure 4).

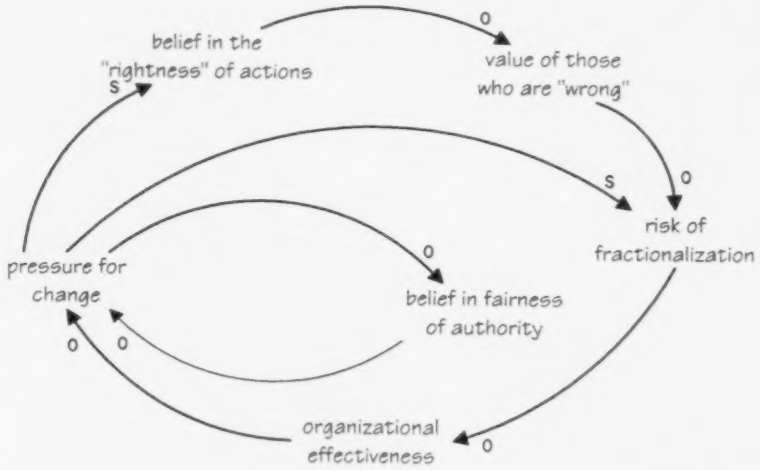

figure 4

When examining the dynamics shown in figure 4, we need to think about which of the variables shown are the most important to the employees, administration, customers, and stakeholders of the organization. There are few organizations that feel that being right is more important than being effective. If the focus is on being right, the strategies are relatively simple – put forth the message that only certain people will be allowed to make decisions due to the fact that no one else is competent to make them.

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This message, however, will set the loops spinning, albeit in a way that will fractionalize the organization. There is ample evidence that this message will additionally dilute the organizational climate by damaging morale, reducing risk taking, and consequently, reducing its potential for effectiveness (Rieley). If the organization is more concerned about increasing its effectiveness over time, the strategies are a little more complex.

First, the organization and its leadership need to be very clear about its rationale and expectations for change. These expectations should be put in the context of the organizational mission and purpose. Without this clarity as to the rationale and expectations for change, the organizational population will begin to fall into chaos, confusion, and become fractionalized.

The rationale should include a systemic view of the organization today, as well as a systemic view of what the future could bring. This view should be developed based on the ramifications of change due to the many external forces that impact the organization (see figure 5).

Social Dynamic Forces	Demographics Values Lifestyle Customer demands
Economic Issue Forces	Microeconomic trends Macroeconomic trends
Political Issue Forces	Legislation Regulatory direction Accreditation directions
Environmental Forces	Ecological movement Costs of recycling
Technological Issue Forces	Innovation Technology availability Indirect technology impacts

figure 5

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It is an understanding of these driving forces that enables an organization to more clearly be able to articulate it's expectations of change and how it will affect the organizational mission and purposes.

Included in the expectations should be timelines that articulate at what point the organization will need to be at a specific time. This is analogous to the need to plan rest stops on a long journey; ie: If we are to see six cities in six days, we need to plan the journey to be able to arrive in a new city each day. This is important so that everyone involved in the change process can begin to formulate their individual plans for dealing with the changes.

Second, a plan to help enhance the skill sets of the employees should be made visible. For every change, there is the potential that different skill sets than those currently in use will be needed by the organizational population. The skill set enhancement program – series of courses developed to target the specific skills that the employees will need to be effective in the organization as well as contribute to the overall organizational effectiveness – should include options for all employees. It should be recognized that all employees means all employees. Senior management of the organization should be the first to participate in the training programs for two reasons.

- In a time in which we are all talking about the concept of leadership vs. management, it is critical to understand that leadership is all about creating an environment in which the organizational population can learn how to be more effective over time. Management, however, is all about making sure that people do what they are supposed to do. Senior "management" became senior management because it was assumed that they knew best how to do their jobs. Regardless of the validity of that decision process, being at the top of the organizational food chain does not, and should not, imply that the person or persons knows everything. An organization that is interested in becoming more effective needs to be open to ongoing learning – at all levels.

- If an organizational population receives the signal that senior management is not participating in skill enhancement offerings, the message will be that they shouldn't have to either. Participation in skill enhancement is clearly a matter

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of "do as I do," not "do as I say." Participation in skill enhancement can be, and should be, tied to individual performance review assessments for all managers.

Third, the organization will need to monitor the ongoing change process. This is important to ensure that the internal population that is being impacted by change is moving forward at both an appropriate level of understanding and an appropriate schedule.

Fourth, the management tools that can have the greatest impact on organizational effectiveness are non-traditional. Most often, the tools management uses to ensure alignment and the meeting of expectations include resource allocation, economic incentives, and a clearly defined organizational structure. In an organization focused on effectiveness, the appropriate tools include engagement, explanation, and expectation clarity (Kim, Mauborgne). With the application of these tools, employees are more apt to take ownership for the long-term success of the organization.

It should be remembered that dealing with change effectively requires that the organization create an environment conducive to allowing change to occur in an orderly manner. This is not to imply that change must be structured; in fact, most change is not planned. Change happens in organizations because it needs to happen. The issue for senior management or leadership is to ensure that the change efforts do not debilitate the organization by evolving into a fight over who is right, who is in step with the new organization direction, and who wants the organization to be effective over time. We all want our organizations to become more effective, creating a positive environment to deal with change can assist in this process. Developing positive environments for change can be win-win situations for organizations, all we have to do is look at lessons learned from history.

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